



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

Mr. Robert M Worsley, Manager
Novo Biopower, LLC
3514 East Presidio Circle
Mesa, Arizona 85206

7013 1090 0000 1618 1147

Dear Mr. Worsley:

Novo Biopower, LLC ("Novo Biopower") currently owns and/or operates the biomass-fired electric generating facility at Arizona Highway 277 Spur, approximately 14 miles west of Snowflake, Navajo County, Arizona (the "Facility"). Previously, the Facility was owned and/or operated by Snowflake White Mountain Power, LLC. You are a manager of and have an ownership interest in both LLC's. The Facility is under the primary jurisdiction of the Arizona Department of Environmental Quality ("ADEQ"). For the purpose of determining whether the Facility is in compliance with its ADEQ permit, Prevention of Significant Deterioration of Air Quality ("PSD") requirements, federal New Source Performance Standards ("NSPS") requirements, federal National Emission Standards for Hazardous Air Pollutants ("NESHAP") requirements, and other requirements of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (the "Act"), you and Novo Biopower are hereby required, under authority of Section 114 of the Act, 42 U.S.C. § 7414, to submit the following information and documents to the U.S. Environmental Protection Agency, Region 9 ("EPA") for the identified Facility:

1. Identify the following dates:
 - a. Initial construction date of the Facility;
 - b. Initial date that the Facility combusted fuel;
 - c. Initial date of commercial operation of the Facility, i.e. production and sale of electrical power;
 - d. Date of your purchase or acquisition of the Facility;
 - e. Date that the Facility ceased operation for any period that lasted a year or more (and identify the length of the time that the Facility was not producing power);
 - f. If the Facility is not currently operating, the date that it ceased operation; and
 - g. If the Facility is not currently operating, the expected date of recommencement of commercial operations.
2. Provide a copy of the Facility's current power purchase agreement.
3. Provide a schematic diagram of the Facility that identifies each potential emission source (i.e., that emits any particulate or gaseous air pollutant), emission control device, and process step. Emission sources, or emission units, include, but are not limited to, the biomass-fired boiler, any auxiliary boilers, fuel and ash handling systems, and internal combustion engines.
4. For each process unit and/or process step at the Facility that has the potential to emit any air pollutant, including but not limited to sulfur dioxide, nitrogen oxides, particulate matter, carbon monoxide, and volatile organic compounds, provide a description of how the emission unit or process step functions, and identify operational parameters including, but not limited to, normal and maximum processing temperatures and normal and maximum feed rates. For any process unit and/or process step that you

conclude does not have the potential to emit any pollutants, please provide a copy of any documents upon which you relied for that conclusion.

5. Describe the following in regard to how emissions are monitored at the Facility:
 - a. Identify each pollutant that is monitored;
 - b. For each pollutant monitored, describe if it is monitored by a continuous emission monitoring system ("CEMS") or continuous opacity monitoring system ("COMS"); and
 - c. For each pollutant monitored, describe if it is monitored by periodic source tests, and if so, identify each source test performed in the last 10 years by date and pollutant measured.
6. Provide copies of the following existing records for the emission control device(s) at the Facility:
 - a. The make, model number, and description/specification of each control device;
 - b. Any biomass-boiler bed operating temperature measurements; and
 - c. The amount of emission reductions, including total reductions and control efficiency, at each process emission point from the use of each control device.
7. Pertaining to the permitting status of the Facility, provide copies of the following:
 - a. Each current air permit;
 - b. Each/all permit application(s) and supporting documents for each air permit identified in response to Request #7.a. or for each air permit that the Facility is currently seeking, whether or not such a permit has been issued or proposed; and
 - c. Any District analysis or correspondence pertaining to each permit and/or each permit application identified in response to Requests #7.a. and 7.b.
8. For each biomass-fired boiler at the Facility, provide:
 - a. The unit identification number;
 - b. The date commercial operation began;
 - c. The original design capacity (megawatts gross, MWg/net generating capacity);
 - d. Current gross and net generating capacity (MWg/MWn);
 - e. The original design and current maximum heat input capacity (MMBTU/hr);
 - f. The original design and current steam flow output capacity (lbs steam/hr);
 - g. The current operating status of the boiler;
 - h. The scheduled or planned boiler retirement date;
 - i. Current fuel(s) being fired;
 - j. Type of particulate matter emissions control and year installed;
 - k. Type of sulfur dioxide emissions control and year installed;
 - l. Type of nitrogen oxides emission controls and year installed;
 - m. Type of carbon monoxide emission controls and year installed; and
 - n. Any anticipated emission controls and estimated dates of installation.
9. Provide in chart form a list of each and every capital projects, with a cost of more than \$50,000, for the Facility for which:
 - a. Began actual construction after January 1, 2000; and
 - b. Those which are approved or expected to begin construction in the next 36 months.

10. For each project identified in response to Request #9, include the following information in a list format:
- a. The work order number for the project;
 - b. Project description;
 - c. Authorized or projected expenditure;
 - d. Actual expenditure;
 - e. Date of approval;
 - f. Project completion date or expected completion date;
 - g. In-service date;
 - h. Each original equipment manufacturer ("OEM"), equipment suppliers, or contractors that will provide or have provided engineering, fabrication, and/or installation services for the project; and
 - i. State whether the capital project was associated with a life extension project, capacity increase, efficiency enhancement, or reliability improvement.
11. In addition, for each project identified in response to Request #9, also provide copies of the following documents, records or information:
- a. All capital appropriation requests and/or approvals for such expenditures, regardless of format or title of such request and/or approval;
 - b. All emission calculations performed before and after the capital project was completed;
 - c. All correspondence with the District or any regulatory agency regarding the potential applicability or exemption of any provision of the Clean Air Act or the applicable State Implementation Plan ("SIP"), including, but not limited to, New Source Review ("NSR")/PSD, NSPS, NESHAP, and opacity requirements;
 - d. All engineering analyses, correspondence, memoranda, telephone discussion summaries, and any other communications, including, but not limited to, Board of Directors reports, meeting minutes, and annual reports, that describe the original as-built performance and performance for the period immediately before and immediately following completion of each capital project, the benefits, provide justification for, or otherwise explain the nature, extent, cost, and frequency of each capital project. This request includes communications both before and after the capital project was undertaken;
 - e. All associated purchase orders;
 - f. All contracts relating to purchase of equipment and on-site installation or construction for the project;
 - g. Any permits received for the project; and
 - h. Documents related to the maximum continuous rating of the boiler, both before and after the project was completed, including, but not limited to, documentation of changes in:
 - i. Unit capacity factor;
 - ii. Unit availability;
 - iii. Boiler heat input;
 - iv. Steam flow rate;
 - v. Steam temperature;
 - vi. Steam pressure;
 - vii. Unit heat rate (BTU/MWh); and
 - viii. Unit efficiency.

The information (other than the documents to be provided) shall be provided electronic chart format (Microsoft Excel 2007 compatible).

12. If any projects are identified in response to Request #9, please provide the following information in electronic chart format (Microsoft Excel 2007 compatible) and by date, starting from ten (10) years before the earliest project identified in response to Request #9 commenced until the date of this Request:
 - a. Provide each and every emissions test and/or emissions study performed at the Facility, identify the pollutants being tested for, summarize the overall results of the test and/or study, and provide copies of the results section and the executive summary from each report pertaining to each of the emission tests and/or emission studies; and
 - b. For the entire Facility, provide daily and monthly total and lb/MMBTU mass emissions for NO_x, SO₂, CO, PM, and PM₁₀, and average opacity, including all supporting calculations, log sheets, continuous emissions and opacity monitoring system data, and measurements used to determine emissions. If spreadsheets are used to calculate emissions, provide a formula for each column in the spreadsheet.
13. In chart form, identify and provide monthly quantities of each type of fuel burned at the Facility since January 1, 2010.
14. For the Facility, provide copies of all documents, including reports, correspondence, memoranda, and phone discussion summaries, related to PSD, NSR, NSPS, or NESHAP applicability for any construction or modification undertaken between January 1, 2000, and the date of this Request.
15. Provide copies of all documents referencing or describing the use of sodium bicarbonate, soda ash, or lime products to treat any pollutant in the combustion emissions from the boiler between January 1, 2010 and the date of this Request.
16. Provide copies of all test reports for stack tests for hazardous air pollutants, including but not limited to hydrogen chloride, performed between January 1, 2010 and the date of this Request.
17. Provide in an electronic spreadsheet file (Microsoft Excel 2007 compatible) all COMS data, in 6-minute averages, collected for the main stack between January 1, 2010 and the date of this Request.
18. Identify in an electronic spreadsheet file (Microsoft Excel 2007 compatible) all time periods (including their dates between January 1, 2010 and the date of this Request) when any of the baghouses on the main stack was non-operational, along with a description of the reason why it was not operating.
19. Pertaining to the compliance status of the Facility, provide copies of any of the following documents issued by ADEQ since January 1, 2010:
 - a. Major or Minor Deficiency;
 - b. Significant Non-Compliance (SNC);
 - c. Initiative;
 - d. Non-Reporting;
 - e. Public Notice;
 - f. Permit Exceedance;
 - g. Notices of Opportunity to Correct (NOC);
 - h. Notices of Violation (NOV);
 - i. Administrative Order; or
 - j. Civil Complaint.
20. Provide a list of all time periods when the boiler was non-operational, along with the reason it was not operating between January 1, 2010 and the date of this Request.

21. Provide copies of all documents, including correspondences, that reference the stack collapse that took place on March 20, 2013, including but not limited to its impact on monitoring and/or compliance with applicable requirements.
22. For the Facility, by complete corporate or individual name, provide a list of all owners and operators, including all previous owners and operators, since initial construction of the Facility to the present, including the date of any transfers and the percentage ownership for each owner of the Facility and/or the percent ownership of member or shareholder of each corporation or LLC that owned the Facility. If known, provide the current address, phone number, and state(s) of residence and/or incorporation for each past or current owner, shareholder or member. Also provide a copy of the transfer or sales contract for the change of ownership from Snowflake White Mountain Power, LLC to Novo Biopower, LLC.

Novo Biopower shall submit its response to this request postmarked no later than forty-five (45) calendar days after receipt of this letter. Novo Biopower must provide copies of all responsive documents as PDF files with optical character recognition (i.e., searchable). Novo Biopower must provide all data in electronic chart format (Microsoft Excel 2007 compatible) that allows for data to be used in calculations. The documents shall be chronologically organized by each information request identified above. If Novo Biopower has no documents responsive to an individual information request, Novo Biopower must so state in its written response. Novo Biopower's response must be signed by a responsible corporate official of Novo Biopower. Novo Biopower must submit responsive documents on a disk (2 copies as CD or DVD media) along with a cover letter that includes Novo Biopower's written responses to the requests via certified mail with return receipt requested to the following address:

Ms. Kathleen H. Johnson
Director, Enforcement Division (ENF-1)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105
Attn: Andrew Chew (ENF-2-1)

Please be advised that under Section 113(a) of the Act, failure to provide the information required by this letter may result in an order requiring compliance, and order assessing an administrative penalty, or a civil action for appropriate relief. In addition, Section 113(c) of the Act provides for criminal penalties for knowingly making any false statements or omission in any response required under the Act. EPA may also seek criminal penalties from any person who knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of EPA or in relation to or contemplation of any such matter or case. See 18 U.S.C. § 1519. The information provided by you may be used by the United States in administrative, civil, or criminal proceedings.

You may, if you desire, assert a business confidentiality claim on behalf of Novo Biopower covering part or all of the information provided to EPA in response to this letter. Any such claim for confidentiality must conform to the requirements set forth in 40 C.F.R. § 2.203(b). You are advised that certain information may be made available to the public pursuant to 42 U.S.C. § 7414(c) and 40 C.F.R. § 2.301, notwithstanding a claim that such information is entitled to confidential treatment. If no claim of confidentiality is received with your reply, the information may be made available to the public without notice to Novo Biopower.

If Novo Biopower seeks to withhold any documents based on a claim of attorney-client communications privilege or the attorney work product doctrine in its response to this information request, provide a privilege log for each document containing the following information:

1. The date, author(s), every individual to whom the document was originally sent, every individual who subsequently acquired the document, the purpose for which the document was sent to or obtained by those individuals, and the employment titles of the authors and recipients;
2. The subject matter of the document;
3. The privilege claimed for the document and all facts supporting the claim of privilege;
4. The primary purpose(s), including any business purposes, for which the document was made;
5. The question(s) in EPA's information request that the document is responsive to; and
6. All facts contained in the document that are responsive to a question in EPA's 114 letter.

This information request is not subject to review by the Office of Management and Budget under the Paperwork Reduction Act because it is not the "collection of information" within the meaning of 44 U.S.C. §§ 3502(3) and 3518(c)(1), since it is being directed to fewer than ten persons or entities and is being issued during the conduct of an investigation involving the EPA against specific individuals or entities. See also 5 C.F.R. §§ 1320.3(c) and 1320.4.

We would also like to take this opportunity to advise you that Novo Biopower may qualify as a "small business" under the Small Business Regulatory Enforcement and Fairness Act ("SBREFA"). Please review the enclosed SBREFA Information Sheet, which is designed to provide information on compliance assistance to entities that may qualify as small businesses as well as to inform them of their right to comment to the SBREFA Ombudsman concerning EPA's enforcement activities. Please be aware that SBREFA does not eliminate Novo Biopower's responsibility to respond in a timely fashion to any complaint or information request that EPA may issue or other enforcement action that EPA may take, nor does SBREFA create any new rights or defenses under the law other than the right to comment to the SBREFA Ombudsman.

If you anticipate being unable to respond fully to this request within the time period specified, you must submit a sworn declaration by a responsible corporate official within ten (10) calendar days after your receipt of this letter, specifying what information will be provided within the time specified, describing what efforts have been/are being made to obtain other responsive information and providing a detailed schedule of when such other responsive information can be provided. Upon receipt and based upon such declaration, EPA may extend the time in which responsive information must be provided. Also, please contact us if you determine that a full response to a particular request would require an extremely large amount of documents to be provided in response. Based upon such notification, EPA may modify the method of production or scope of documents required to be produced.

If you have any questions regarding this request, please contact Andrew Chew of my staff at (415) 947-4197, or have your attorney contact Ivan Lieben of the Office of Regional Counsel at (415) 972-3914. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathleen H. Johnson', written in a cursive style.

Kathleen H. Johnson
Director

Enforcement Division

Enclosure

cc: Mr. Fred Mollenhauer, EH&S Manager
Novo BioPower, LLC

Mr. Eric Massey, Director
Air Quality Division, ADEQ

